THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Under the liberalised policy of Reserve Bank of India (RBI), commercial banks can take decision of their own without the prior approval of RBI for opening of industrial finance, overseas/small scale industry (SSI) branches, RBI has also advised commercial banks to open specialised branches to cater to the SSI clientele in the 45 districts where there are more than 2,000 SSI units. After a suitable interval of time, the process of opening specialised branches on priority basis in another 119 Districts each with more than 1,000 and upto 1999 SSI units will be initiated.

(c) and (d) Hon'ble Members are presumably, referring to Nayak Committee on SSI Financing. One of the recommendations of the Committee is that to discharge their responsibility under the single window scheme, the commercial banks should open specialised branches to cater to the SSI clientele. As already stated above in parts (a) & (b), the banks have been authorised to open such branches without prior approval of RBI.

**Slowing Down of Fiscal Reduction Programme**

1414. DR. NAUNIHAL SINGH:

SHRI SANGH PRIYA GAUTAM:

Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that recently be made a statement that Governmen would go slow on fiscal reduction programme than drive the economy into a recessionary state; if so, the reasons thereof;

(b) whether the above statement was a clear indication that Government are likely to allow expenditure to increase beyond the projected levels and accept a higher fiscal deficit for 1993-94;

(c) if so, the reasons thereof;

(d) whether the reforms programme has slowed down,

(e) if so, whether it is because of the elections; and

(f) in case the reforms have indeed been put on hold, whether present Government are likely to bring the liberalisation process back on the top of the nation's agenda after the elections are over; if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (f) The Finance Minister in an interview given recently has *inter-alia* observed that he would not with to make a fetish of reducing fiscal deficit in case it adversely affects the level of economic activity. The Government follows a flexible approach to economic reforms and is open to any mid-term corrections which are consistent with the main objective of reform, namely, to bring about rapid and sustained improvement in the quality of like of the Indian people. The pace of fiscal adjustment was affected by the disturbances which accured toward the end of 1992-93 and the recent elections. It would, however, be difficult to quantify their impact.

The Government are committed to the reforms process. The views of different groups on the impact of economic reforms are also elicited. A document captioned [Economic Reforms :' 'Two Years After and the Task Ahead-Discussion Paper' outlining the rationale for the programme of the economic reforms undertaken in the first two years and indicating the reform priorities for the next three years was released recently for this purpose. It is the Government intention to continue with the reforms.